

## Message Text

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PAGE 01 NEW DE 06663 191403Z

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ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 AID-05 COME-00 TRSE-00

/029 W  
----- 092030

P R 191745Z MAY 75  
FM AMEMBASSY NEW DELHI  
TO AMCONSUL CALCUTTA PRIORITY  
INFO SECSTATE WASHDC 8776

LIMITED OFFICIAL USE NEW DELHI 6663

E.O. 11652: N/A  
SUBJECT: OPIC CONTRACT OF GUARANTY NO. 1396--MCNALLY  
PITTSBURG MANUFACTURING CORPORATION (MCNALLY)

REFS: (A) STATE 114414  
(B) STATE 105224  
(C) STATE 86933  
(D) NEW DELHI 5227  
(E) NEW DELHI 6346

1. EMBASSY DISCUSSED MCNALLY DIVIDEND REMITTANCE WITH MINISTRY OF FINANCE (MOF) JOINT SECRETARY BHANDARI WHO HAS INDICATED THAT MOF WILL ISSUE DIRECTIONS TO THE RBI FOR AUTHORIZING REMITTANCE IF MCNALLY BHARAT ENGINEERING COMPANY LIMITED (BHARAT) PROVIDES PROOF THAT IT HAS MADE AN APPLICATION TO THE RBI UNDER SECTION 19 SUB-SECTION 5 OF THE FOREIGN EXCHANGE REGULATION ACT TO DILUTE MCNALLY'S SHARES. BHANDARI WOULD LIKE TO RECEIVE FROM BHARAT A COPY OF THE APPLICATION TO THE RBI.

2. IN ADDITION, BHANDARI WOULD LIKE TO RECEIVE LETTER FROM BHARAT INDICATING SPECIFICALLY WHAT EFFECTIVE STEPS IT HAS TAKEN TO COMPLY WITH THE SEPTEMBER 30, 1974 CONSENT ORDER OF THE CONTROLLER OF CAPITAL ISSUES. BHANDARI STATED THAT IF BHARAT TAKES FOREGOING ACTION SUGGESTED IT MAY BE POSSIBLE TO AUTHORIZE REMITTANCE OF MCNALLY'S 1973 DIVIDEND AT AN EARLY DATE.

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3. CONGEN IS REQUESTED TO IMMEDIATELY CONTACT PRAN PRASAD OR

DUA OF BHARAT AND REQUEST THEM TO PROVIDE COPY OF APPLICATION TO RBI AND WRITE TO BHANDARI. THE LETTER FROM BHARAT TO BHANDARI MAY BE SENT TO THE EMBASSY FOR TRANSMISSION TO BHANDARI UNDER A COVERING NOTE FROM THE COMMERCIAL COUNSELOR. IF BHARAT IS NOT AGREEABLE TO THIS, PLEASE SEND US COPIES OF BHARAT APPLICATIONS/ LETTERS TO ENABLE US TO CARRY THE MATTER FORWARD WITH THE MOF.

4. FYI: BHANDARI IS MEETING WITH RBI OFFICIALS HERE IN NEW DELHI ON MAY 27-28 AND WOULD LIKE BHARAT TO FILE PAPERS NO LATER THAN MAY 23-24 TO ENABLE HIM TO ASK THE RBI TO PRESENT THE CASE AT THE NEW DELHI MEETING FOR CONSIDERATION AND ACTION. YOU WILL HAVE TO PUSH THIS MATTER HARD WITH BHARAT TO INSURE TIMELY COMPLIANCE BY THEM.

5. PLEASE ADVISE US OF BHARAT REACTION.  
SCHNEIDER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT GUARANTEES, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975NEWDE06663  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750175-0578  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Reference:** 75 STATE 114414  
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**Review Authority:** greeneet  
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**Review Date:** 05 AUG 2003  
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**To:** CALCUTTA  
**Type:** TE  
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